

Trade unions

A trade union is an organisation that employees can join in order to have their interests and goals better represented. A worker will pay an annual subscription and in return will have their interests more powerfully represented than if they had to negotiate with employers on their own.

Workers acting together in a trade union can counterbalance the power of large firms. This is due to **collective bargaining** where all trade union members are balloted (given the opportunity to vote) on issues and a trade union representative then negotiates with the employer on their behalf. The negotiations and relationship between a trade union and an employer is known as **industrial relations**.

Traditionally trade unions used to focus their attention on obtaining a good standard of pay for their members but more recently unions are concentrating on protecting the individual rights of their members. This may mean providing legal and financial support and advice for members who feel their employer has discriminated against them or dismissed them unfairly.

There are four main types of trade union as outlined in the table below:

| Type of Union | Description / Example |
|-----------------------|---|
| Craft or skills union | To represent skilled workers e.g. Musicians Union (MU) |
| Industrial unions | To represent the members of one particular industry e.g. Fire Brigades Union (FBU) |
| General unions | Unions which recruit workers from all types of industries and with any level or range of skills e.g. Amicus – the Manufacturing Science and Finance Union (MSF) |
| White-collar unions | Represent office workers e.g. National Union of Teachers (NUT) |

In addition there is the **Trade Unions Congress (TUC)** who represent all British trade unions at a national and international level. In particular the TUC tries to influence government decision-making in the best interests of unions and workers and to coordinate with trade union movements in other EU countries.

Industrial Action

The majority of worker-to-manager and therefore union-to-employer problems are worked out peacefully through negotiation. However occasionally an issues arises where no agreement or solution can be reached. This is when a trade union may conduct some form of industrial action in order to force the employer to back down.

There are several different types of industrial action that could be taken:

- ▶ **Strike** – Workers select a day(s) on which they will not come into work.
- ▶ **Work to rule** – Workers apply the firm's rules and procedures to the 'letter' with the objective of slowing down production. For example a machine worker may be told to ensure his machine is clean and safe before starting work and so he will be deliberately nit-picking and spend hours doing exactly this.
- ▶ **Go slow** – Employees carry on working but at the minimum pace possible in order to slow down production but avoid disciplinary action.
- ▶ **Picketing** – Workers may stand at the entrance to the employer's factory or place of work and demonstrate with banners or slogans.

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- ▶ **Overtime ban** – Workers simply refuse to work overtime as they are not obliged to. This can prevent a firm being able to produce quickly enough to meet demand and they may lose orders.

If unions and employers continue in dispute then either side can bring in **ACAS** to help resolve the disagreement. ACAS is the Advisory, Conciliation and Arbitration Service and is an independent body financed by the government. It is responsible for giving advice to both sides, sitting in and helping with negotiations and ultimately it can provide an individual, or arbitrator, who can judge the right outcome of the dispute.

Changing Role of Trade Unions

The power of trade union has been gradually eroded over the last 20 years. This is due to a number of reasons:

- ▶ Laws passed by Conservative government during 1980's and 1990's which have weakened the power of trade unions
- ▶ Decline in trade union membership
- ▶ Change in structure of industry from heavily unionised manufacturing industry towards service sector businesses. Also more women and part-time workers who are less inclined to join unions.
- ▶ Change in philosophy from conflicts due to collective bargaining to individual bargaining between firms and employees

One of the new laws that was introduced stated that employers did not have to recognise any trade union if they did not want to, regardless of how many of their workers belonged to it. This meant that trade unions could play no part in negotiations and could not represent their workers at all. However, in 2000 a new EU employment Law came into being which stated that an employer must legally recognise and negotiate with a trade union if more than 50% of its workers belong to it.

Benefits of Trade Unions

In practice many firms choose to deal with trade unions as they can benefit not only the employee but also the employer. This is shown below:

| Benefits to an Employee | Benefits to an Employer |
|---|--|
| More powerful voice when bargaining as a group (e.g. for pay rises) as can threaten industrial action such as strikes | Cheaper and quicker to bargain with one trade union representative than individual workers |
| Workers will have their individual rights better protected e.g. if dismissed unfairly or discriminated against | Workers are better motivated if they feel their interests are being looked after by trade unions |

Trade unions increasingly wish to be seen as working with employers to create a better and more competitive economy and not as organisations that stand in the way of change and increase costs for firms. They believe that both parties have mutual interests. This has led to more and more **single union agreements** (where an employer agrees to deal with only one union) but in return can often expect a **no-strike deal** from the union (where unions agree never to strike if a dispute cannot be settled).

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